

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 115879
ORIGIN STR-07

INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 AF-10 ARA-10 EA-10 EUR-12 NEA-11
/167 R

DRAFTED BY STR/DCOOPER:TK
APPROVED BY STR/SLLANDE
COMMERCE/FMONTGOMERY
STATE/SAHMAD
LABOR/WRENOCIN/GPRATT
;GRICULTURE/TURNER OYLOE
TREASURY/EBARBER
STR/WBKELLY

-----034618 061029Z /21

R 060103Z MAY 78
FM SECSTATE WASHDC
TO USMISSION GENEVA

LIMITED OFFICIAL USE STATE 115879

OPEN CHANNEL

E.O. 11652: N/A

TAGS: MTN

SUBJECT: TPRG MEETING ON COMPREHENSIVE LDC APPROACH

1. ON MAY 2 AND 3 TPRG DEPUTIES GROUP AND TPRG MET TO DIS-
CUSS COMPREHENSIVE LDC APPROACH IN THE MTN. ELEMENTS 1-9
BELOW WERE AGREED, BUT WE WERE UNABLE TO REACH A CONSENSUS
ON ENABLING CLAUSE. AS APPROPRIATE, THE DELEGATION SHOULD
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 115879

DISCUSS THESE CONCEPTS WITH DCS AND LDCS. DETAILED WORK ON
THE ATTACHMENT TO THE LDC PAPER, WHICH WAS HAND CARRIED TO
GENEVA LAST WEEKEND, WILL CONTINUE.

A. THE FOLLOWING ELEMENTS OF THE COMPREHENSIVE LDC AP-
PROACH WERE AGREED BY THE TPRG AND THE TPRG DEPUTIES:

1. WE SHOULD PRESS SUCH KEY LDCS AS THE PHILIPPINES, MEXICO, VENEZUELA, COLOMBIA AND IRAN (TAIWAN IS AN EXCEPTION) TO JOIN THE GATT BY THE END OF THE MTN.

2. WE WILL EXPECT ALL COUNTRIES, INCLUDING LDCS, TO JOIN ALL THE CODES. F.Y.I.-ALTHOUGH THIS IS OUR NEGOTIATING STANCE, WE REALIZE THAT SUCH A POSITION IS UNREALISTIC AND WILL NEED TO BE REVIEWED AT THE END OF THE DAY. HOWEVER, THE UNITED STATES EXPECTS PARTICULAR

KEY LDCS TO JOIN EITHER ALL THE CODES OR CERTAIN CODES THE TPSC SUBCOMMITTEES WILL DRAW UP QUOTE KEY LDC UNQUOTE LISTS FOR THE VARIOUS CODES. END F.Y.I.

3. FOR THOSE CODES BASED ON GATT PROVISIONS, ALL SIGNATORIES WILL BE EXPECTED TO JOIN THE GATT. THIS WILL NOT BE A REQUIREMENT FOR THOSE CODES WHICH STAND INDEPENDENT OF GATT PROVISIONS.

4. THE DIFFERENTIAL TREATMENT OFFERED LDCS IN THE VARIOUS CODES, AS WELL AS THE PROCEDURAL MFN BENEFITS, SHOULD BE AVAILABLE ONLY TO COUNTRIES WHICH JOIN. WE WILL CONTINUE TO TELL ALL MTN PARTICIPANTS, INCLUDING LDCS, THAT SUBSTANTIVE MFN BENEFITS WILL BE WITHHELD FROM CODE NON-SIGNATORIES. F.Y.I: HOWEVER, WE NEED TO REVIEW THE SUBSTANTIVE MFN BENEFITS OF THE VARIOUS CODES IN ORDER TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 115879

DETERMINE WHERE, AND IF, THEY CAN BE WITHHELD FROM NON-SIGNATORIES. IF SUCH BENEFITS CAN BE IDENTIFIED, IT WILL STILL NEED TO BE REVIEWED BEFORE THE END OF THE DAY SINCE WITHHOLDING SUBSTANTIVE MFN BENEFITS REPRESENTS A MAJOR DEPARTURE FROM ESTABLISHED GATT AND DOMESTIC PRACTICES. END F.Y.I.

5. AS WITH ANY PROVISION IN THE CODES, DIFFERENTIAL TREATMENT WILL BE CONTRACTUAL. THE ONLY DIFFERENTIAL BENEFITS WHICH ARE NOW IN THE PACKAGE ARE NEW-TO-MARKET AND SMALL SUPPLIER PROVISIONS IN THE SAFEGUARDS CODE AND TECHNICAL ASSISTANCE. BEGIN F.Y.I.: ANY COMMITMENTS WE MAKE ON TECHNICAL ASSISTANCE WILL NEED TO BE VAGUE BECAUSE WE CANNOT MAKE BUDGETARY COMMITMENTS IN THE MTN WITHOUT SPECIFIC APPROVAL OF THE PRESIDENT. END F.Y.I. DIFFERENTIAL TREATMENT IN SAFEGUARDS WILL BE AVAILABLE TO ALL ELIGIBLE SIGNATORY LDCS. THERE WILL BE GENERAL CRITERIA FOR DETERMINING NEW-TO-MARKET AND SMALL SUPPLIERS, WITH DEVELOPED COUNTRIES RETAINING THE UNILATERAL RIGHT TO DETERMINE IF THE CRITERIA ARE MET IN SPECIFIC CASES.

6. THE UNITED STATES SHOULD CONTINUE TO PRESS LDCS TO

BIND CONCESSIONS IN THE MTN. OUR BASIC POSITION IS THAT PRODUCT SPECIFIC CONCESSIONS WHICH ARE EXCHANGED IN THE MTN ARE BOUND. F.Y.I: HOWEVER, WE NEED TO REVIEW WHETHER OR NOT AT THE END OF THE DAY WE WILL CONSIDER WHETHER SOME CREDIT WILL BE GIVEN FOR UNBOUND CONCESSIONS. END F.Y.I.

7. THE UNITED STATES SHOULD EXPLORE WITH DEVELOPED COUNTRIES AND KEY LDCS THE POSSIBILITY OF AMENDING ARTICLE XVIII A REQUIREMENTS TO ALLOW LDCS IN CERTAIN CASES TO INCREASE DUTIES TEMPORARILY FOR INFANT INDUSTRY REASONS IN EXCHANGE FOR LDCS BINDING THEIR DUTIES.

8. WE SHOULD NOT NEGOTIATE ADDITIONAL TROPICAL PRODUCTS AGREEMENTS AND WE ARE WILLING TO FOLD OUR TROPICAL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 115879

PRODUCTS OFFER INTO OUR GENERAL MTN OFFER.

9. EXCEPTIONS SHOULD BE MADE TO THE PRINCIPAL SUPPLIER RULE WHERE AN OFFER COULD REASONABLY ELICIT ACCEPTABLE CONCESSIONS AND WHERE IT IS NOT APPROPRIATE TO APPROACH THE PRINCIPAL SUPPLIER, E.G. WHEN THE PRINCIPAL SUPPLIER IS A COLUMN 2 COUNTRY, OR IS A NON-ACTIVE MTN PARTICIPANT (E.G. SUDAN).

B. THE FOLLOWING ISSUES NEED FURTHER REVIEW:

1. AN INTERAGENCY LEGAL SUBGROUP SHOULD REVIEW THE CONSTRAINTS OF APPLYING CODES ON A SELECTIVE MFN BASIS, IN LIGHT OF CURRENT GATT AND DOMESTIC PRACTICES.

2. THE GATT AND LDC SUBCOMMITTEES WILL STUDY AND IF NECESSARY DRAW UP MODEL PROVISIONS FOR THE PERIOD PRECEDING FULL GATT MEMBERSHIP.

3. THE GATT AND LDC SUBCOMMITTEES SHOULD LOOK AT THE EFFECTS ON GENERAL TRADE POLICY IF UNBOUND CONCESSIONS ARE EXCHANGED.

4. THE NTM AND LDC SUBCOMMITTEES SHOULD LOOK AT WAYS OF GETTING INCREASED COMMITMENTS ON THE LIBERALIZATION OF LDC NON-TARIFF MEASURES.

5. THE LDC AND FUNCTIONAL SUBCOMMITTEES SHOULD IDENTIFY, CONSISTENT WITH ATTACHMENT I, WHETHER, AND IF SO WHICH, SUBSTANTIVE MFN BENEFITS COULD BE WITHHELD FROM NON-SIGNATORIES AND DEVELOP MORE SPECIFIC GUIDELINES (INCLUDING GRADUATION) FOR THE LDC ASPECTS OF EACH CODE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 STATE 115879

6. THE GATT AND FUNCTIONAL SUBCOMMITTEES SHOULD EX-
AMINE THE NEED AND FEASIBILITY OF INCLUDING A PROVISION FOR
NON-APPLICATION BETWEEN SIGNATORIES (AS IN ARTICLE XXXV) IN
THE CODES.

7. THE LDC AND FUNCTIONAL SUBCOMMITTEES SHOULD UP-
DATE, AS APPROPRIATE, ATTACHMENT I, PARTICULARLY THE QUOTE
F UNQUOTE SECTIONS ENTITLED QUOTE PROPOSALS WHICH MAY
HAVE TO BE ADDRESSED IN THE FUTURE. UNQUOTE. CHRISTOPHER

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 STATE 115879
ORIGIN STR-07

INFO OCT-01 ARA-10 ISO-00 STRE-00 /018 R

66011

DRAFTED BY: STR/DCOOPER

APPROVED BY: STR/DCOOPER

-----055896 100303Z /73

O 100140Z MAY 78

FM SECSTATE WASHDC

TO AMEMBASSY CARACAS IMMEDIATE

AMEMBASSY MEXICO IMMEDIATE

LIMITED OFFICIAL USE STATE 115879

PASS LANDE

FOLLOWING REPEAT STATE 115879 SENT ACTION GENEVA 06 MAY 78

QUOTE LIMITED OFFICIAL USE STATE 115879

OPEN CHANNEL

E.O. 11652: N/A

TAGS: MTN

SUBJECT: TPRG MEETING ON COMPREHENSIVE LDC APPROACH

1. ON MAY 2 AND 3 TPRG DEPUTIES GROUP AND TPRG MET TO DISCUSS COMPREHENSIVE LDC APPROACH IN THE MTN. ELEMENTS 1-9 BELOW WERE AGREED, BUT WE WERE UNABLE TO REACH A CONSENSUS ON ENABLING CLAUSE. AS APPROPRIATE, THE DELEGATION SHOULD DISCUSS THESE CONCEPTS WITH DCS AND LDCS. DETAILED WORK ON THE ATTACHMENT TO THE LDC PAPER, WHICH WAS HAND CARRIED TO GENEVA LAST WEEKEND, WILL CONTINUE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 115879

A. THE FOLLOWING ELEMENTS OF THE COMPREHENSIVE LDC APPROACH WERE AGREED BY THE TPRG AND THE TPRG DEPUTIES:

1. WE SHOULD PRESS SUCH KEY LDCS AS THE PHILIPPINES, MEXICO, VENEZUELA, COLOMBIA AND IRAN (TAIWAN IS AN EXCEPTION) TO JOIN THE GATT BY THE END OF THE MTN.

2. WE WILL EXPECT ALL COUNTRIES, INCLUDING LDCS, TO JOIN ALL THE CODES. F.Y.I.-ALTHOUGH THIS IS OUR NEGOTIATING STANCE, WE REALIZE THAT SUCH A POSITION IS UNREALISTIC AND WILL NEED TO BE REVIEWED AT THE END OF THE DAY. HOWEVER, THE UNITED STATES EXPECTS PARTICULAR

KEY LDCS TO JOIN EITHER ALL THE CODES OR CERTAIN CODES THE TPSC SUBCOMMITTEES WILL DRAW UP QUOTE KEY LDC UNQUOTE LISTS FOR THE VARIOUS CODES. END F.Y.I.

3. FOR THOSE CODES BASED ON GATT PROVISIONS, ALL SIGNATORIES WILL BE EXPECTED TO JOIN THE GATT. THIS WILL NOT BE A REQUIREMENT FOR THOSE CODES WHICH STAND INDEPENDENT OF GATT PROVISIONS.

4. THE DIFFERENTIAL TREATMENT OFFERED LDCS IN THE VARIOUS CODES, AS WELL AS THE PROCEDURAL MFN BENEFITS, SHOULD BE AVAILABLE ONLY TO COUNTRIES WHICH JOIN. WE WILL CONTINUE TO TELL ALL MTN PARTICIPANTS, INCLUDING LDCS, THAT SUBSTANTIVE MFN BENEFITS WILL BE WITHHELD FROM CODE NON-SIGNATORIES. F.Y.I: HOWEVER, WE NEED TO REVIEW THE SUBSTANTIVE MFN BENEFITS OF THE VARIOUS CODES IN ORDER TO DETERMINE WHERE, AND IF, THEY CAN BE WITHHELD FROM NON-SIGNATORIES. IF SUCH BENEFITS CAN BE IDENTIFIED, IT WILL STILL NEED TO BE REVIEWED BEFORE THE END OF THE DAY SINCE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 115879

WITHHOLDING SUBSTANTIVE MFN BENEFITS REPRESENTS A MAJOR DEPARTURE FROM ESTABLISHED GATT AND DOMESTIC PRACTICES. END F.Y.I.

5. AS WITH ANY PROVISION IN THE CODES, DIFFERENTIAL TREATMENT WILL BE CONTRACTUAL. THE ONLY DIFFERENTIAL BENEFITS WHICH ARE NOW IN THE PACKAGE ARE NEW-TO-MARKET AND SMALL SUPPLIER PROVISIONS IN THE SAFEGUARDS CODE AND TECHNICAL ASSISTANCE. BEGIN F.Y.I.: ANY COMMITMENTS WE MAKE ON TECHNICAL ASSISTANCE WILL NEED TO BE VAGUE BECAUSE WE CANNOT MAKE BUDGETARY COMMITMENTS IN THE MTN WITHOUT SPECIFIC APPROVAL OF THE PRESIDENT. END F.Y.I. DIFFERENTIAL TREATMENT IN SAFEGUARDS WILL BE AVAILABLE TO ALL ELIGIBLE SIGNATORY LDCS. THERE WILL BE GENERAL CRITERIA FOR DETERMINING NEW-TO-MARKET AND SMALL SUPPLIERS, WITH DEVELOPED COUNTRIES RETAINING THE UNILATERAL RIGHT TO DETERMINE IF THE CRITERIA ARE MET IN SPECIFIC CASES.

6. THE UNITED STATES SHOULD CONTINUE TO PRESS LDCS TO BIND CONCESSIONS IN THE MTN. OUR BASIC POSITION IS THAT PRODUCT SPECIFIC CONCESSIONS WHICH ARE EXCHANGED IN THE MTN ARE BOUND. F.Y.I.: HOWEVER, WE NEED TO REVIEW WHETHER OR NOT AT THE END OF THE DAY WE WILL CONSIDER WHETHER SOME CREDIT WILL BE GIVEN FOR UNBOUND CONCESSIONS. END F.Y.I.

7. THE UNITED STATES SHOULD EXPLORE WITH DEVELOPED COUNTRIES AND KEY LDCS THE POSSIBILITY OF AMENDING ARTICLE XVIII A REQUIREMENTS TO ALLOW LDCS IN CERTAIN CASES TO INCREASE DUTIES TEMPORARILY FOR INFANT INDUSTRY REASONS IN EXCHANGE FOR LDCS BINDING THEIR DUTIES.

8. WE SHOULD NOT NEGOTIATE ADDITIONAL TROPICAL PRODUCTS AGREEMENTS AND WE ARE WILLING TO FOLD OUR TROPICAL PRODUCTS OFFER INTO OUR GENERAL MTN OFFER.

9. EXCEPTIONS SHOULD BE MADE TO THE PRINCIPAL SUP-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 115879

PLI:R RULE WHERE AN OFFER COULD REASONABLY ELICIT ACCEPTABLE CONCESSIONS AND WHERE IT IS NOT APPROPRIATE TO APPROACH THE PRINCIPAL SUPPLIER, E.G. WHEN THE PRINCIPAL SUPPLIER IS A COLUMN 2 COUNTRY, OR IS A NON-ACTIVE MTN PARTICIPANT (E.G. SUDAN).

B. THE FOLLOWING ISSUES NEED FURTHER REVIEW:

1. AN INTERAGENCY LEGAL SUBGROUP SHOULD REVIEW THE CONSTRAINTS OF APPLYING CODES ON A SELECTIVE MFN BASIS, IN LIGHT OF CURRENT GATT AND DOMESTIC PRACTICES.

2. THE GATT AND LDC SUBCOMMITTEES WILL STUDY AND IF NECESSARY DRAW UP MODEL PROVISIONS FOR THE PERIOD PRECEDING FULL GATT MEMBERSHIP.

3. THE GATT AND LDC SUBCOMMITTEES SHOULD LOOK AT THE EFFECTS ON GENERAL TRADE POLICY IF UNBOUND CONCESSIONS ARE EXCHANGED.

4. THE NTM AND LDC SUBCOMMITTEES SHOULD LOOK AT WAYS OF GETTING INCREASED COMMITMENTS ON THE LIBERALIZATION OF LDC NON-TARIFF MEASURES.

5. THE LDC AND FUNCTIONAL SUBCOMMITTEES SHOULD IDENTIFY, CONSISTENT WITH ATTACHMENT I, WHETHER, AND IF SO WHICH, SUBSTANTIVE MFN BENEFITS COULD BE WITHHELD FROM NON-SIGNATORIES AND DEVELOP MORE SPECIFIC GUIDELINES (INCLUDING GRADUATION) FOR THE LDC ASPECTS OF EACH CODE.

6. THE GATT AND FUNCTIONAL SUBCOMMITTEES SHOULD EXAMINE THE NEED AND FEASIBILITY OF INCLUDING A PROVISION FOR NON-APPLICATION BETWEEN SIGNATORIES (AS IN ARTICLE XXXV) IN LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 STATE 115879

THE CODES.

7. THE LDC AND FUNCTIONAL SUBCOMMITTEES SHOULD UPDATE, AS APPROPRIATE, ATTACHMENT I, PARTICULARLY THE QUOTE UNQUOTE SECTIONS ENTITLED QUOTE PROPOSALS WHICH MAY HAVE TO BE ADDRESSED IN THE FUTURE. UNQUOTE. CHRISTOPHER

UNQUOTE VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE115879
Document Source: CORE
Document Unique ID: 00
Drafter: TK
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780193-0955
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780586/aaaacvfn.tel
Line Count: 367
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e65a3aa3-c288-dd11-92da-001cc4696bcc
Office: ORIGIN STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2770311
Secure: OPEN
Status: NATIVE
Subject: TPRG MEETING ON COMPREHENSIVE LDC APPROACH
TAGS: EWWT, MTN
To: GENEVA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e65a3aa3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014